



# BMMP

*Arming the Warfighter Through Business Improvement*  
BUSINESS MANAGEMENT MODERNIZATION PROGRAM

## Applying the Standard Financial Information Structure (SFIS)

2005 ASMC National PDI

June 2, 2005



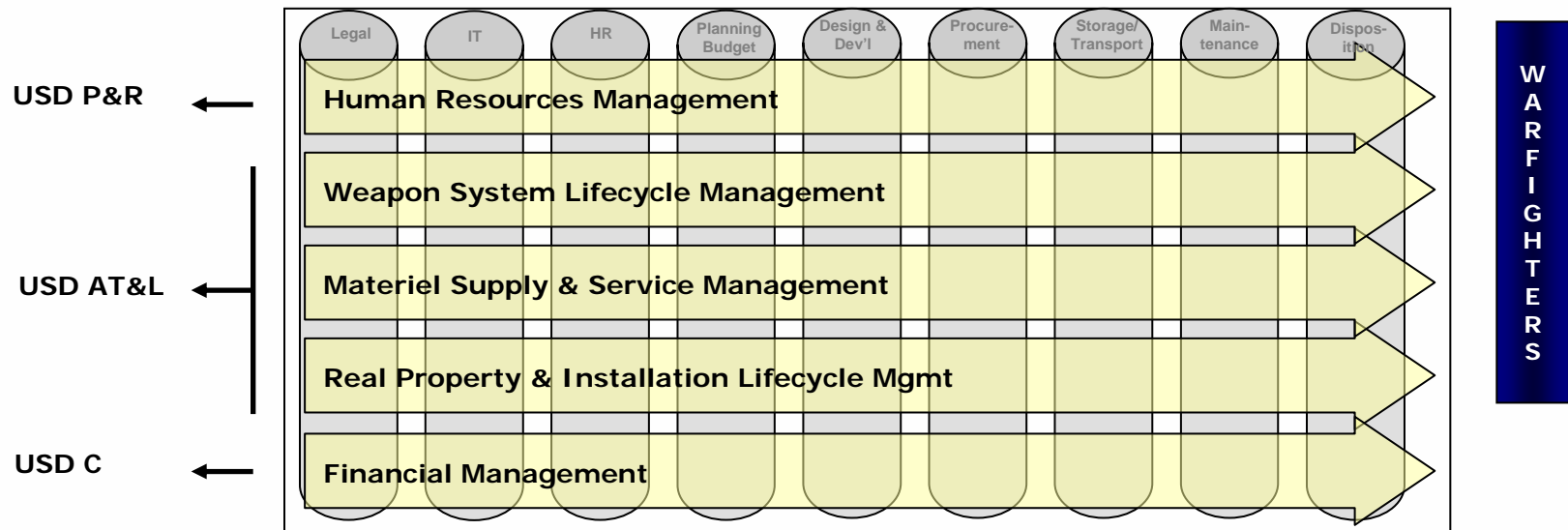
- **BMMP/Financial Management Transformation Team (FMTT) Introduction**
  - BMMP Mission Alignment
  - FMTT Initiatives/Operational Activities
  - FM Capabilities
  - SFIS Deployment Initiative
  - FMTT Transformation Framework Initiatives
- **SFIS Overview**
  - Current Environment
  - Authoritative Guidance
  - Progress to Date
  - SFIS Information Components
  - Summary
- **Applying SFIS**
  - Challenges
  - Implementation Approach



## **BMMP/FMTT Introduction**



# BMMP Mission Alignment



- Five core business missions defined crossing all functional silos. Priority will be placed on delivering end-to-end business mission capability/functionality.
- Each business mission area will be led by the appropriate USD, and will ensure senior warfighter perspective/leadership in development of transformation priorities.
- Business mission owners will ensure alignment of transformation investments to the improvement of end-to-end mission capability for warfighters. These owners may delegate this authority to appropriate leaders as needed.

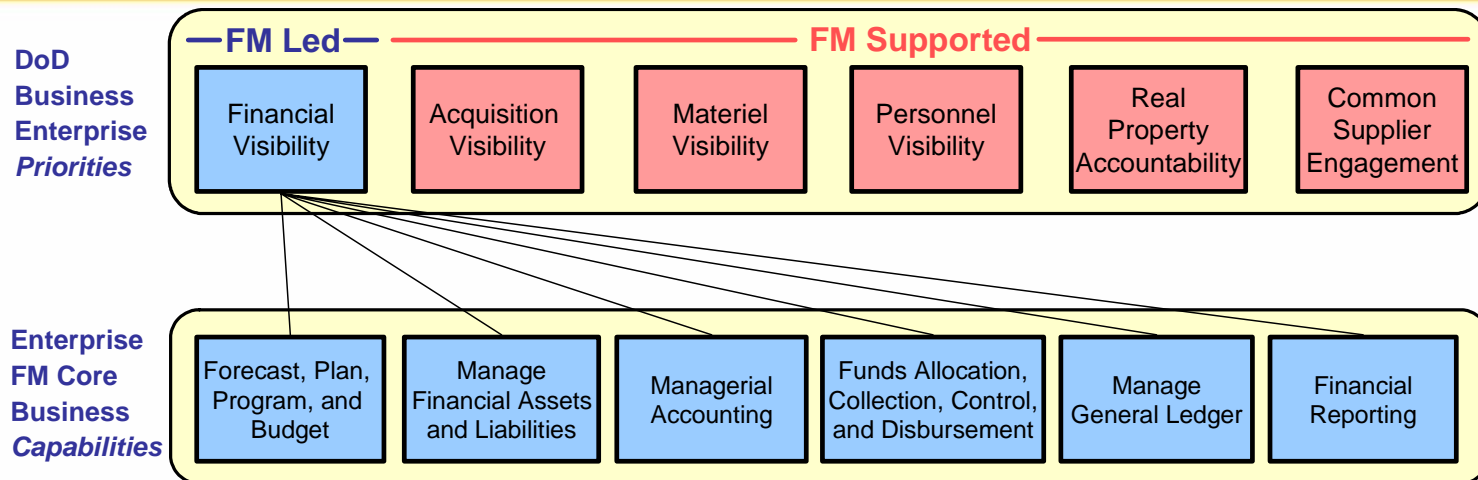


# BMMP FMTT Initiatives/Operational Activities

- Transformation Initiatives in Support of Financial Visibility Enterprise Priority
  - Standard Financial Information Structure (SFIS) Deployment
  - FM Enterprise Solutions
    - Business Enterprise Information Services (BEIS)
      - This solution includes the DFAS Corporate Database/DFAS Corporate Warehouse (DCD/DCW) plus the Defense Departmental Reporting System (DDRS)
    - Defense Cash Accountability System (DCAS)
    - Intragovernmental Transactions (IGT)
  - Program/Budget (P/B) Framework
- Operational Support Activities
  - Core Business Mission Support
  - Investment Review Board (IRB) Process
  - Architecture Development Support
  - Transition Planning Support
- Enabling Activities
  - Performance Metrics
  - Communications Activities



## FM Capabilities



**Forecast, Plan, Program and Budget** The ability to develop, review, evaluate and support financial forecasts, plans, programs and budgets and to integrate them with appropriate performance indicators to achieve effective business operations and program goals.

**Manage Financial Assets and Liabilities** The ability to identify, classify, value and manage financial (fiscal) assets to include accounts receivable and liabilities to include accounts payable from acquisition or inception to disposal or liquidation.

**Funds Allocation, Collection, Disbursement and Control**  
The ability to control and distribute funds based on appropriation and authorization laws; monitor such funds against available balances for purpose, time and amount; collect funds; issue and track disbursements; and monitor cash position.

**Manage General Ledger** The ability to record proprietary and budgetary general ledger (GL) transactions in accordance with FASAB standards, GAAP and regulatory requirements; to define the use of, and rules to, control GL accounts; and to conduct GL analyses and reconciliations.

**Managerial Accounting** The ability to accumulate, classify, measure, analyze, interpret and report cost and other financial information useful to internal and external decision makers reviewing the execution of an organization's program or project resources to ensure they are effectively being used to meet objectives.

**Financial Reporting** The ability to provide relevant financial visibility and real-time information dashboards for DoD decision-makers and to summarize financial information for the purpose of producing mandatory reports in compliance with regulatory requirements and discretionary reports in support of other requirements.



# BMMP SFIS Deployment Initiative

**Description and Objective:** The Standard Financial Information Structure (SFIS) is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance management, and external reporting across the DoD enterprise. SFIS provides an enterprise-wide standard for categorizing financial information along several dimensions to support financial management and reporting functions. The focus for Phase I deployment of SFIS is in support of the generation of DoD financial statements.

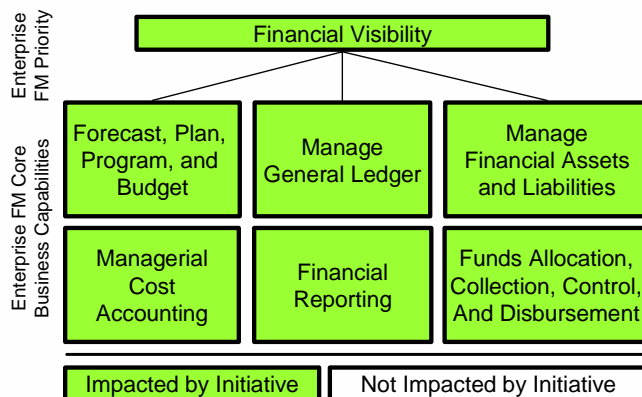
## Approach:

- Complete the definition of the 62 Phase I data elements, all of which support the generation of financial statements
- Define specific approach for Category A, B, and C targets for the deployment of the Phase I data elements (see Deployment Categories)
- Provide leadership from FMTT for each Category to prioritize deployment and to assist Components in their adoption of the standards
- Develop processes for the evolution of SFIS, including the introduction of new elements

## Deployment Categories:

- **Category 'A':** Legacy environments that merit investment to update systems to support SFIS
- **Category 'B':** Legacy environments in which direct investment is not recommended; rather, an interim approach for these systems (which includes mapping and cross walks) is preferred
- **Category 'C':** Emerging environments, including new ERP systems, that will receive detailed guidance and support for deployment of the SFIS elements in these new solutions

## Impacted Core FM Capabilities:



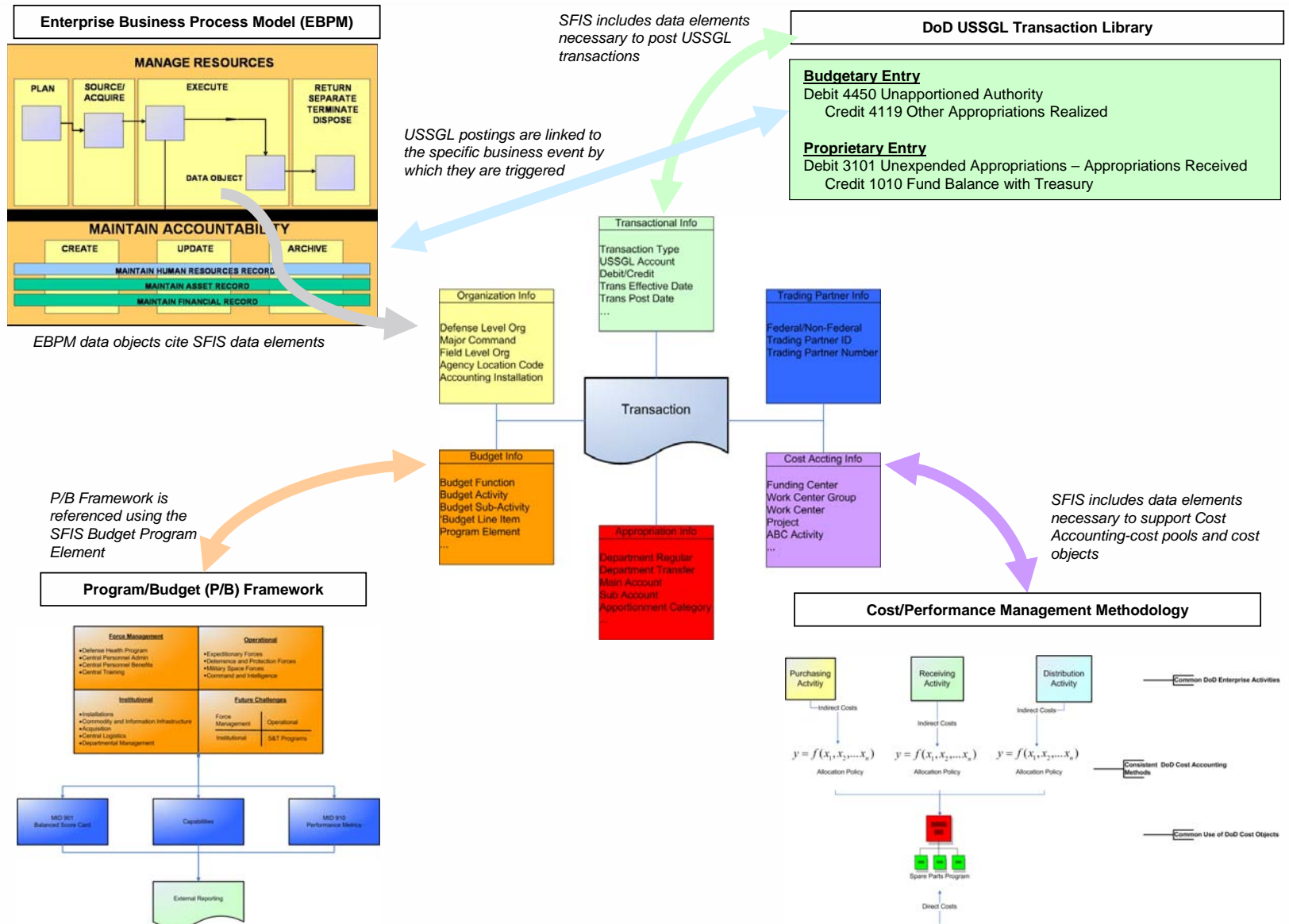
## Benefits:

- Standardizes financial reporting data across DoD
- Enables decision-makers to efficiently compare similar programs and activities across DoD
- Provides decision-makers the level of detail they require for information retrieval and auditability
- Improves the efficiency of maintaining business systems, thereby reducing costly maintenance and translation of non-standard data
- Links program execution to performance, budgetary resources, and actual financial information



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# FMTT Transformation Framework Initiatives

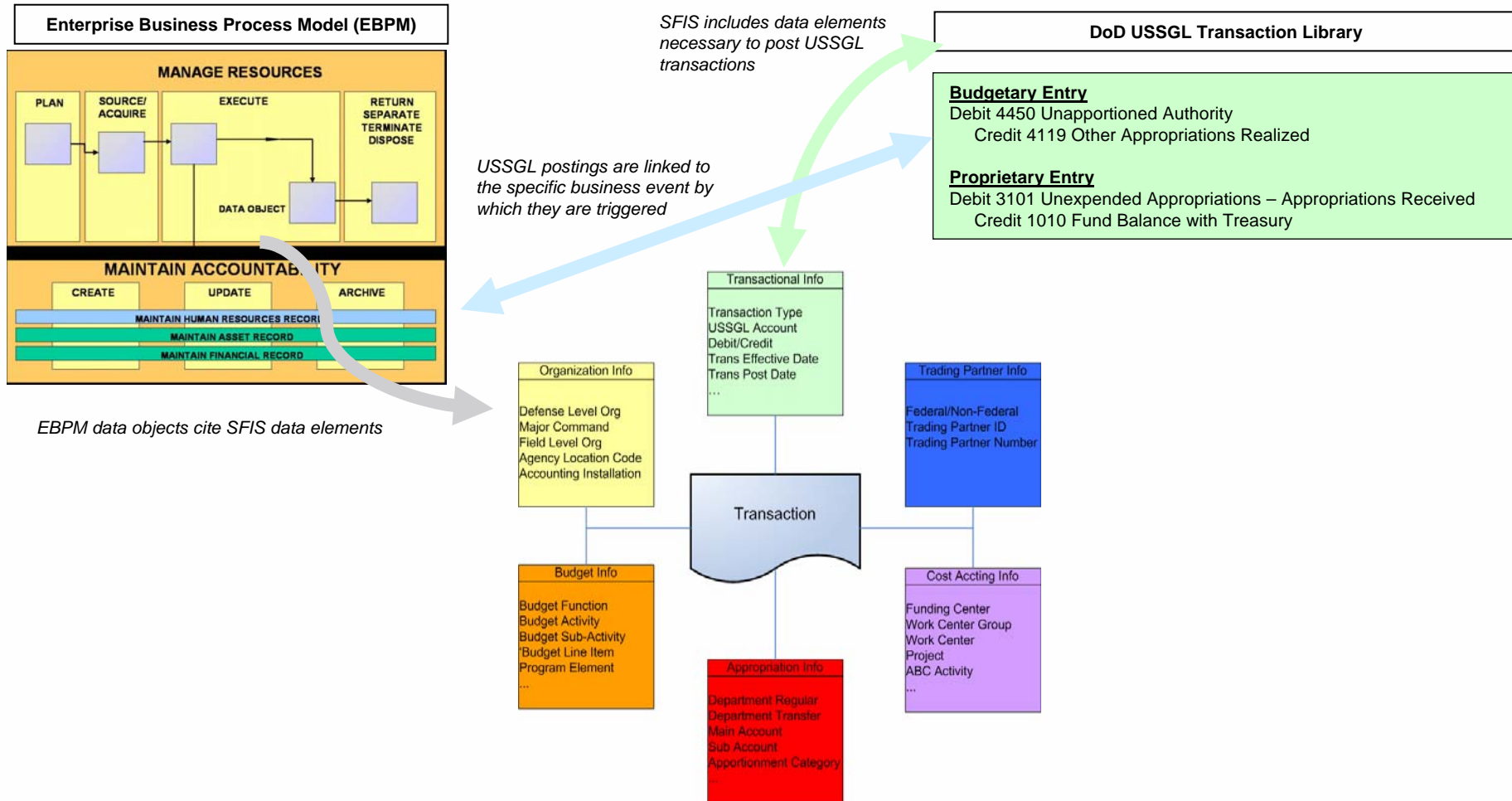






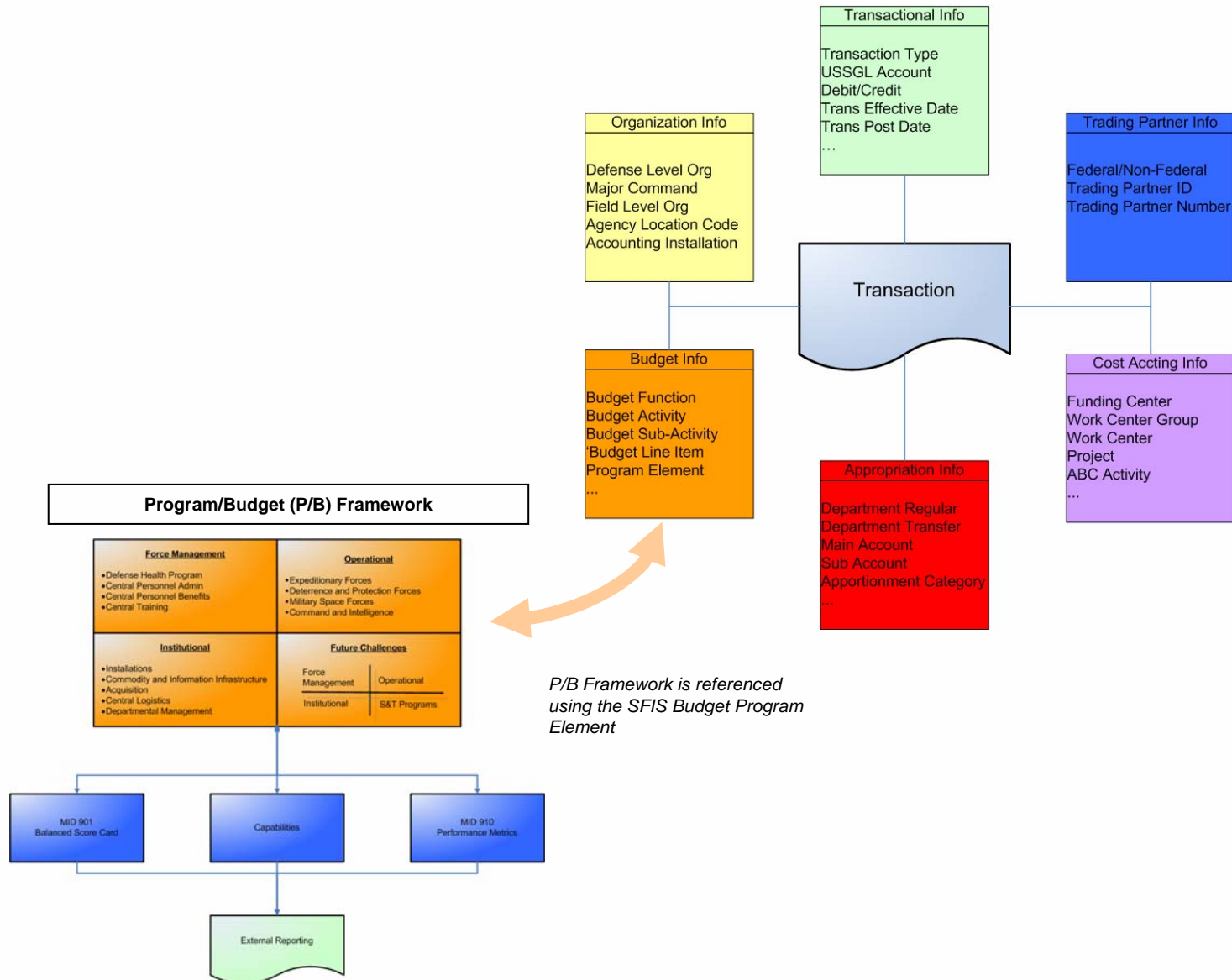
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# FMTT Transformation Initiative- EBPM & USSGL



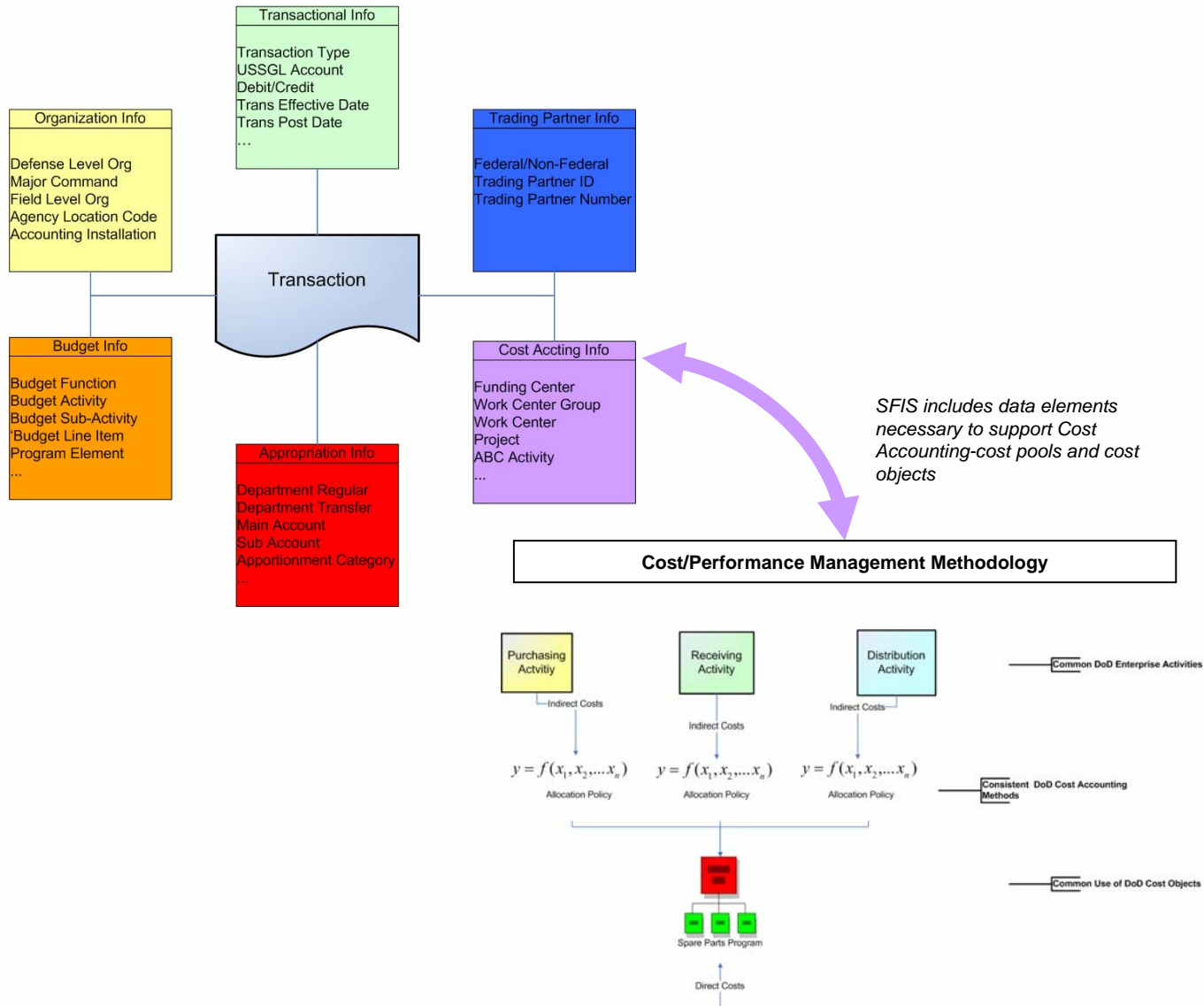


# FMTT Transformation Initiative- P/B Framework





# FMTT Transformation Initiative- Cost/Performance Methodology





## SFIS Overview



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## Current Environment

- Services have unique fiscal codes and processes.
- Lack of integration and standardization requires conversion by each network to Treasury Line of Accounting (LOA) for CFO, Treasury and Departmental Reporting.

### AIR FORCE OPERATIONS AND MAINTENANCE

DEPT	FY	APPR SYM	FC	FY	FC
57	6	3400	30	6	47
					OBAN 5A
					RC/CC 110704
					BA 04
					EEIC 582.AA
					ADSN 503000
					ESP AB
					PE 72806F
					FCC

### ARMY OPERATIONS AND MAINTENANCE

DEPT	FY	BSN	OA	ASN	AMSCO	EOR	MDEP	FCA	SDN	APC	UIC	FSN
21	6	2020	57	3106	325796.BD	26-B	QSUP	CA200	GRE12340109003	AB22	WORNAA	S34030

### NAVY/MARINE CORPS - GENERAL

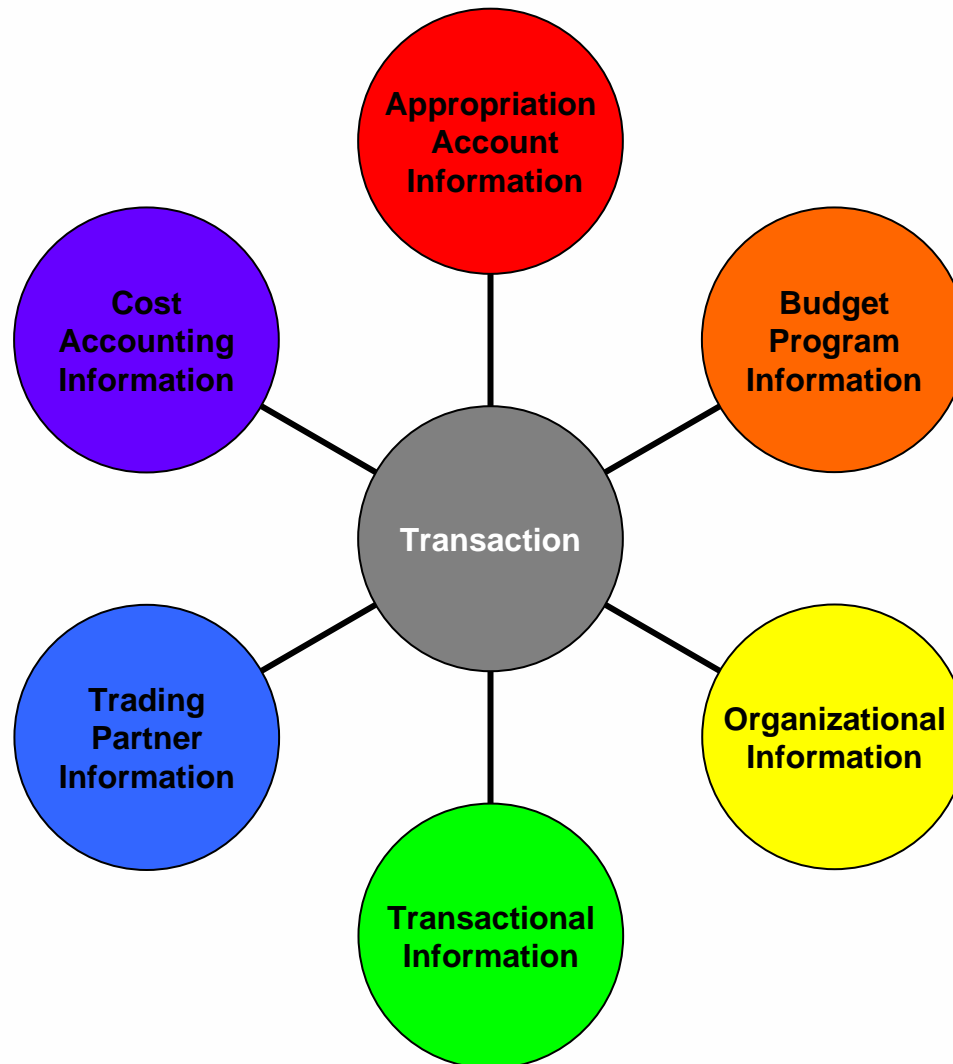
DEPT	FY	APPN	SUBHEAD	OC	BCN	SUBALLOT	AAA	TTC	PAA	CC
17	7	1105	0000	026	63400	3	063340	1D	000151	00560852000



- **National Defense Authorization Act (NDAA)**
  - Requires an information infrastructure which, at a minimum, integrates budget, accounting, program information, systems and performance
- **Office of Management and Budget (OMB) Circular A-127**
  - Requires agencies' financial management systems to reflect an agency-wide financial information classification structure that is consistent with the U.S. Standard General Ledger (USSGL)
- **Government Performance and Results Act (GPRA)**
  - Requires annual performance reporting that links performance planned to performance achieved
- **OMB, Office of Federal Financial Management (OFFM)**
  - Within each department or agency, the accounting classification elements and definitions must be standardized to ensure uniform and efficient accounting treatment, classification, and reporting



- SFIS workshops with Mission Areas, Components, and Agencies – 2Q04
- Cost accounting workshops with Mission Areas, Components, and Agencies – 2Q04
- SFIS briefings to Treasury, OMB, DoDIG, Mission Areas, BMSI, and USD(C) – 3Q04
- SFIS integrated into BEA 2.2 (FM data model), and Terminology Service Implemented - 4Q04
- SFIS synchronization with USSGL Transaction Library – 1Q05
- USD(C) Memo signed that requires Cross-Mission Area support to standardize the data element values owned or shared with other Mission Areas by April 30 - 1Q05
- SFIS cross-functional workshops - 2Q05-Ongoing
- Coordination with DIMHRS, DEAMS, GFEBS, and Navy ERPs - 2Q05-Ongoing





- **Appropriation Account Information** - Provides the fund structure
- **Budget Program Information** - Provides the program structure and the object class structure
- **Organizational Information** - Establishes the organizational structure
- **Transactional Information** - Satisfies the USSGL posting requirements
- **Trading Partner Information** - Provides trading partner information
- **Cost Accounting Information** - Provides other information to support cost/performance management



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# SFIS Information Components - Phase 1

Appropriation Account Information	Transactional Information	Trading Partner Information
Department Regular	Transaction Type	Federal/Non-Federal Indicator
Department Transfer	USSGL Account Number	Trading Partner Indicator
Main Account	Debit/Credit	Trading Partner Number
Sub Account	Begin/End Indicator	
Apportionment Category	Transaction Effective Date	Budget Program Information
Receipt Indicator	Transaction Post Date	Budget Function/Sub-Function
Sub Classification	Transaction Amount	Budget Activity
Period of Availability	Program Funding Unique Identifier	Budget Sub-Activity
Reimbursable Flag	Exchange/Non-Exchange Indicator	Budget Line Item
Fund Type	Custodial/Non-Custodial Indicator	Program
Advance Flag	Foreign Currency Code	Object Class
Authority Type	Country Code	Contingency Code
Availability Time	Entity/Non-Entity Indicator	BEA Category Indicator
Borrowing Source	Covered/Non-Covered Indicator	
Definite Indefinite Flag	Current/Non-Current	Cost Accounting Information
Public Law Number	Demand Unique Identifier	Commodity Code
Product Report Code		Transaction Quantity
TAFS Status	Organizational Information	Asset Type
Year of Budget Authority	Organization Unique Identifier	Asset Unique ID
Direct Transfer Agency	Agency Disbursing Code	
Direct Transfer Account	Accounting Support Code	
Transfer To From		
Deficiency Flag		
Availability Type		
Expiration Flag		
Financing Account Indicator		



- Roughly 80% of SFIS data elements are mandated by existing external requirements (Treasury and OMB). These are not new requirements.
- We have recently completed cross-functional workshops to finalize Phase 1 of SFIS.



## **Applying SFIS**



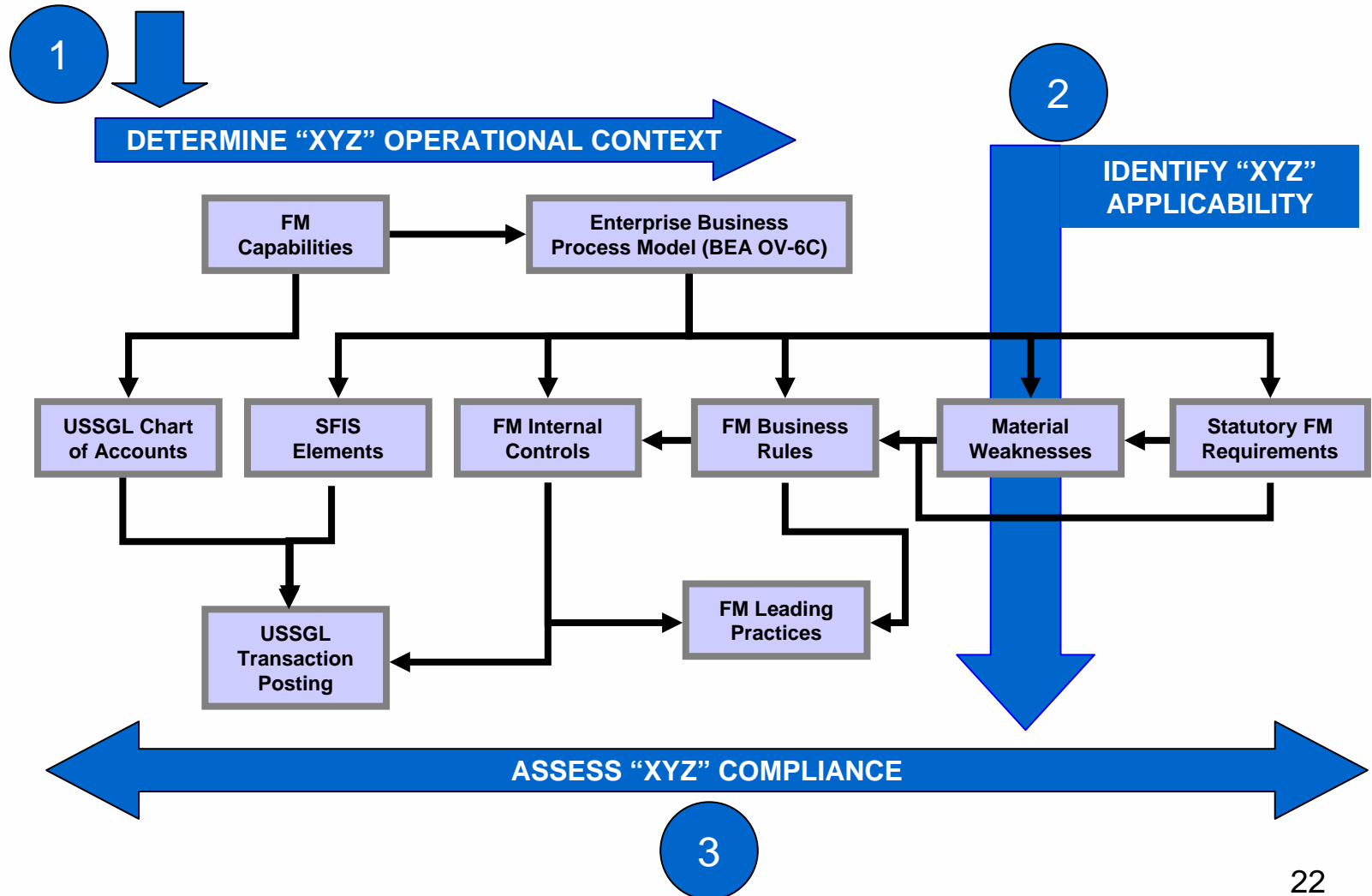
- **Challenges**

- In DoD's net-centric environment, we have a mixture of component ERPs and corporate systems.
  - Component ERP systems enable accountability for an organization's full scope of business (e.g., from budget formulation to financial reporting).
  - Corporate systems that are focused on providing a specific capability (e.g., contract writing, entitlement or financial reporting).
- Given this environment, each DoD core business system will require a tailored SFIS/USSGL implementation approach dependent upon that system's functional scope, degree of integration with other core business systems, and proposed technical solution.
- For example, implementing SFIS/USSGL in a Navy ERP system using SAP technology will differ from implementing SFIS/USSGL in a custom-developed financial reporting system.



## Applying SFIS

How does the BEA (and SFIS in particular) apply to System “XYZ”?





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## Applying SFIS

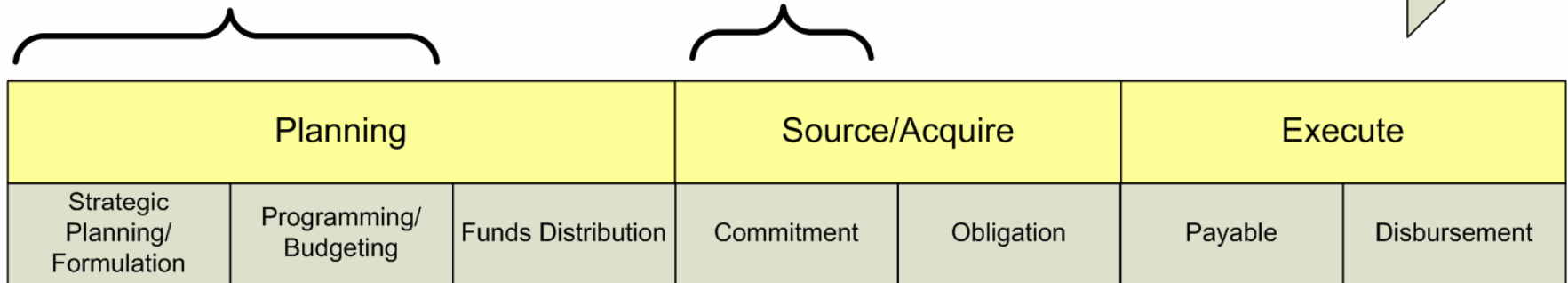
Budget/  
Appropriation  
Information

Department Regular, Main Account, Sub Account, Apportionment Category, Receipt Indicator, Sub Classification, Period of Availability, Reimbursable Flag, Fund Type, Advance Flag, Authority Type, Availability Time, Borrowing Source, Definite Indefinite Flag, Public Law Number, Program Report Code, TAFS Status, Year of Budget Authority, Direct Transfer Agency, Direct Transfer Account, Transfer To From, Deficiency Flag, Availability Type, Expiration Flag, Financing Account Indicator, Budget Function/Sub-Function, Budget Activity, Budget Sub-Activity, Budget Line Item, Program, Contingency Code, BEA Category Indicator, Organization Unique ID

SFIS  
Accounting  
Classification

Department Regular, Department Transfer, Main Account, Period of Availability, Budget Activity, Budget Sub Activity, Budget Line Item, Object Class, Program, Contingency Code, Organization Unique ID

The Demand Unique Identifier is used to reference the Accounting Classification on obligations, payables, and disbursements.



SFIS USSGL  
Posting Subset

Transaction Type, Transaction Effective Date, Transaction Post Date, Transaction Amount, USSGL Account Number, Debit/Credit, Demand Unique Identifier, Exchange/Non-Exchange Indicator, Custodial/Non-Custodial Indicator, Foreign Currency Code, Country Code, Entity/Non-Entity Indicator, Covered/Uncovered Indicator, Apportionment Category, Period of Availability, Reimbursable Flag, Fund Type, Advance Flag, Authority Type, Availability Time, Borrowing Source, Definite Indefinite Flag, TAFS Status, Transfer To From, Exchange/Non-Exchange, Federal/Non-Federal, and Asset Type



### General Ledger



- **Implementation Approach**

- The BEA is a guide to determining the scope of requirements that applies to each core business system.
- Based on the core business system's functional scope, the BEA provides the relevant requirements for data (SFIS and USSGL) and processes (leading practices, business rules, and internal controls).
- Based on the applicability of BEA requirements to the core business system, the system's PMO should develop an SFIS implementation approach.
- The FMTT is actively working to categorize FM business systems.
- Based on the categorization, the FMTT will work with Category B and Category C system PMOs to develop a tailored implementation approach that is BEA-compliant with SFIS standards.
- The FMTT is working to update DoD EDI Implementation Conventions and the DoD XML Registry to include SFIS terms.
- The FMTT is developing processes for the evolution of SFIS, including the introduction of new data elements.





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## Questions & Answers